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Before the  
FEDERAL COMMUNICATIONS COMMISSION  
Washington, D.C. 20554

FEDERAL COMMUNICATIONS COMMISSION  
OFFICE OF THE SECRETARY

In the Matter of )  
 )  
Redevelopment of Spectrum to ) ET Docket No. 92-9  
Encourage Innovation in the )  
Use of New Telecommunications )  
Technologies )

COMMENTS OF THE  
NATIONAL TELEPHONE COOPERATIVE ASSOCIATION

The National Telephone Cooperative Association ("NTCA") submits these Comments in response to the Notice of Proposed Rulemaking in the above proceeding ("Notice") (FCC 92-20), released February 7, 1992. The Federal Communications Commission ("Commission") seeks comments on the creation of spectrum bands to be used for emerging technologies.

INTRODUCTION

NTCA is an association of over 490 small exchange carriers ("ECs") providing telecommunications services to subscribers and interexchange carriers ("IXCs") throughout rural America. NTCA's members are interested in providing the new telecommunications services which will be offered on the bands which the Commission will establish in this proceeding.

Additionally, NTCA's members have an interest in this proceeding because they operate as licensees in the common carrier fixed microwave services. Many of these services are in the 2 GHz band which the Commission proposes to allocate to emerging technologies. NTCA's members utilize these services to provide telephone service to exchange areas that are often too

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difficult, too remote or too costly to reach by wire. Use of these microwave services is in the public interest and promotes universal service. They allow LECs to connect portions of their system to provide local exchange service and interexchange access service and allow customers in these areas to be connected to the public switched network at reasonable rates.

#### DISCUSSION

I. NTCA AGREES THAT THE COMMISSION SHOULD MAKE A NEW ALLOCATION FOR EMERGING TECHNOLOGIES.

NTCA agrees that the public will benefit from the allocation of spectrum to permit new telecommunications services utilizing emerging technologies. NTCA believes, however, that the public interest would be harmed if the Commission were to reallocate spectrum in the 2 GHz band to new telecommunications services and then adopt a licensing scheme that forecloses the present providers of local exchange service from becoming eligible for the initial licenses to provide this service.

NTCA members support the allocation of spectrum for personal communications services ("PCS") because they expect this service to further the universal service objectives of the Communications Act of 1934. The small LECs that make up NTCA's membership have consistently kept pace with the rest of the industry in bringing state of the art technologies to rural America. These companies are best positioned to quickly and efficiently bring PCS and other new communications services to their subscribers.

The Commission's ultimate decision in this proceeding should assure that rural, as well as urban, communities receive the

benefits of the new services offered on the reallocated bands. Thus, NTCA believes that the Commission should assure that for whatever spectrum is allocated for these new services, local licensing territories are established for this essentially local service. Further, the small LECs that are in most cases operating under state franchise obligations should not be foreclosed from opportunities to provide the service.<sup>1</sup>

Award of this spectrum to national licensees alone will deprive rural and sparsely populated areas of the services. The Commission should take steps to assure that the small common carriers now using the 2 GHz band for common carrier services are not required to relocate to other bands merely to accommodate national licensees or other large consortia awarded single licenses to provide PCS or other new telecommunications services on a national basis. Rural companies have demonstrated that they can provide quality and innovative services tailored to meet the needs of rural communities if given the opportunity.<sup>2</sup>

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<sup>1</sup> See, Statement of Robert D. Cook, Personal Communications Service En Banc Hearing before FCC, December 5, 1991.

<sup>2</sup> Small telephone companies do not control large blocks of cellular frequencies. Typically they have limited partnership interests in RSA cellular licenses and do not have the ability to require the controlling partner to provide the type of service forecast for PCS.

**II. ADEQUATE MEASURES SHOULD BE TAKEN TO ASSURE THAT COMMON CARRIER SERVICES ARE NOT DISRUPTED IN THE REALLOCATION PROCESS.**

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The public interest requires that the Commission take precautions to assure that needed services are not disrupted or made unnecessarily more costly as a result of relocating common carrier microwave services to higher frequency bands. The Commission states that fiber, cable and satellite communications which can utilize off-the-shelf equipment are available to replace these common carrier provided microwave services. Notice, para 17. This assumption may not be well founded for cases where terrain, location or distance make it impracticable to replace microwave with any of the alternatives mentioned. Nor is it always practical to move to higher microwave frequencies because these frequencies are not suitable for some rural applications. For example, in the west, longer path lengths are often required than can be provided by 6 GHz systems. The Commission's proposed 10 to 15 year transition period does not take this and other important factors into account. The proposal would place the burdens attributable to the reallocation on common carriers operating in rural areas. It requires fixed microwave systems to eliminate interference, negotiate an arrangement for continued operation with the new service operator, or cease operations after the transitional period of co-primary use. Notice, para. 24. The proposal also makes no accommodation for situations in which small carriers may be unreasonably disadvantaged from having to negotiate with national

licensees or others not willing to negotiate in good faith. The plan may leave the small LEC with the choice between abandoning its common carrier and/or franchise obligations or accepting a bad offer from a co-primary licensee who has no such obligations. Because common carrier services are an integral part of the nation-wide public switched network, the Commission should take measures to assure that the burden of any transition does not fall on common carrier microwave licensees poorly positioned to negotiate or unable to replace their systems with reasonable alternatives such as fiber, cable or satellites.

NTCA urges the Commission to adopt a transition plan that adequately protects the public's interest in a public switched network capable of providing adequate facilities at reasonable charges to all the people of the United States. The plan should place the costs of reassignment on new users in the 2 GHz band. It is not possible to predict what the costs of relocating will be. However, the Commission should adopt rules providing for the compensation of all the costs common carriers incur to either relocate to higher frequencies or to switch to an alternative such as fiber or satellite.

CONCLUSION

For the above stated reasons, NTCA urges the Commission to adopt a transition plan which assures adequate compensation for common carriers and avoids disruptions in local exchange service.

Respectfully submitted,

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ASSOCIATION

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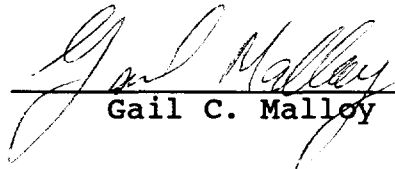
June 5, 1992

CERTIFICATE OF SERVICE

I, Gail C. Malloy, certify that a copy of the foregoing Comments of the National Telephone Cooperative Association in CC Docket 92-9 was served on this 5th day of June 1992, by first-class, U.S. Mail, postage prepaid, to the following persons on the attached list:

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